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STATE FOR EB A/S DSULLIVAN, NEA/FO, NEA/ARP, NEA/I, T, ISN
TREASURY FOR DEPSEC RKIMMITT, DAS ASAEED, U/S SLEVEY
NSC FOR DMCCORMICK, EABRAMS, NRAMCHAND

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TAGS: [PGOV](#) [PREL](#) [EAID](#) [ETTC](#) [MNUC](#) [PARM](#) [EINV](#) [IR](#) [IO](#) [AE](#)

SUBJECT: DEPSEC KIMMITT DISCUSSES IRAQ COMPACT, IRAN WITH
FOREIGN MINISTER ABDULLAH

REF: A. ABU DHABI 3565

[1](#)B. ABU DHABI 1422

[1](#)C. STATE 120913

[1](#)D. ABU DHABI 2358

Classified By: Ambassador Michele J. Sison, reasons 1.4 b and d.

[1](#)1. (S) BEGIN SUMMARY. Treasury Deputy Secretary Robert Kimmitt met with Foreign Minister Abdullah bin Zayed al Nahyan (AbZ) on September 10 to thank him for the UAE's hosting of the Iraq Compact Preparatory Group meeting. AbZ, who had just met with Iraqi Deputy PM Barham Salih, emphasized the UAE's commitment to the Compact process. After AbZ conveyed the UAE's concerns over Iranian intentions, DepSec Kimmitt briefed him on U.S. action against Iran's Bank Saderat and discussed the export control and transshipment challenges the UAE faces. Although AbZ acknowledged the U.S. request for UAE participation in the land-based component of the planned October Leading Edge PSI exercise, he made no commitment. AbZ also raised Dubai Ports World and DPW's efforts to sell P&O Ports North America. END SUMMARY.

[1](#)2. (S) On September 10, DepSec Kimmitt, EB A/S Dan Sullivan, Treasury DAS Ahmed Saeed and Ambassador met with Foreign Minister AbZ to review the progress made during that day's Iraq Compact Preparatory meeting, hosted by the UAE. The Compact was an Iraqi effort, he emphasized, and Deputy PM Barham Salih had laid out an ambitious work plan focused on political, security, and economic goals, including progress on the fuel import, investment and hydrocarbon laws. The goal of the Iraq Compact would now be to keep up with Iraq, Kimmitt noted. AbZ emphasized that the UAE wished both to help Iraq and to "help our American friends" help Iraq.

[1](#)3. (S) However, it was important to counter the Iranian threat, AbZ stressed. "Even without a bomb, Iran is a threat to the region...they are manipulating the world," AbZ exclaimed. It would be "smart to make Iran weaker by chopping off its allies" in Lebanon, Central Asia, and Afghanistan, he continued. The UAE and other Gulf states "sit on top of a very source of life to the rest of the world -- oil," AbZ noted. "We can't allow Iran to get hold of this." DepSec Kimmitt described USG moves to cut off Iran-based Bank Saderat from the U.S. financial system and shared U.S. concerns that Iranian banks had facilitated financial transactions related to procurement for Iran's ballistic missile and nuclear programs. The discussion then moved to the importance of an export control regime and the challenges face by the UAE on Iran-related transshipment cases. As he had in an April 2006 meeting with Under Secretary for Arms Control and International Security Robert Joseph, AbZ asked that UAE be seen as "a last resort" in dealing with such transshipment cases (ref B). Ambassador took the opportunity to remind AbZ of the pending request for UAE participation in the U.S.-hosted Proliferation Security Initiative "Leading Edge" exercise (ref C). AbZ acknowledged the request but made no commitment.

[1](#)4. (S) The Foreign Minister then turned to the P- 1 Iran incentives/disincentives package. He was clearly still rankled that the USG had been unable to provide detailed information to the GCC over the inclusion a security element in the package (ref D). The U.S. and the EU had "kept the GCC in the dark," he complained, and it had in the end been Iran which shared a copy of the package with the UAE. "We did not understand why our friends had gone and talked to our enemy Iran, on regional security."

[1](#)5. (S) AbZ then turned to the Dubai Ports World issue, citing the August 31 letter that the company had written to Members of Congress providing an update on the sale of P&O Ports North America. AbZ noted that although the UAE was looking at various other investment opportunities in the United States, DPW "had made us hesitant."

[1](#)6. (U) This message has been cleared by EB A/S Dan Sullivan and DepSec Kimmitt.
SISON